



National Security Personnel System

"To transform the way DoD achieves its mission, it must transform the way it leads and manages its people who develop, acquire, and maintain our nation's defense capability. Our civilian workforce is critical to the department's success and NSPS will provide a modern, flexible system to better support them."

**-- Deputy Secretary of Defense Gordon England
October 26, 2005**



***NSPS Overview
for
Full Time Employees
of the
Arizona National Guard***



- ☑ **What Is NSPS?**
- ☑ **Major Design Elements**
- ☑ **Status of Overall System Implementation**

- ☑ **Preparation for NSPS Implementation**



What is NSPS?

- A flexible, agile, and responsive personnel system to manage DoD “civilians” in today's environment
- Provides the Department with tools to shape a more effective and efficient workforce:
 - Performance management system that values performance, rewards contribution and promotes excellence
 - Streamlined staffing; more responsive hiring process
 - Offers flexibility in assigning work
 - Preserves technician benefits, rights and protections



Guiding Principles

- **Put mission first – support National Security goals and strategic objectives**
- **Respect the individual – protect rights guaranteed by law**
- **Value talent, performance, leadership and commitment to public service**
- **Be flexible, understandable, credible, responsive and executable**
- **Ensure accountability at all levels**
- **Balance HR interoperability with unique mission requirements, and**
- **Be competitive and cost effective.**



Why NSPS?



- Respond swiftly and decisively to national security threats and other missions.
- Attract and retain talented and motivated employees committed to excellence.
- Compensate and reward employees based on performance and mission contribution.
- Expand DoD's ability to hire more quickly and offer competitive salaries.
- Accelerate DoD's efforts to create a Total Force.



What's In It for The Guard?

- **A modern, flexible, and responsive human resource system**
 - reward good performance
 - minimize poor performance
- **Accomplish the mission – by putting the right person in the right position at the right time with the right pay**
- **More control over workforce – and more accountability and responsibility**



What's In It For Technicians?



- **Recognizes and rewards employees based on personal contributions to mission**
 - **Pay increases based on performance and/or contribution to mission success; clear performance expectations linked to strategic Department goals and objectives.**
- **Opens communication between supervisors and employees; all know expectations**
- **Encourages employees to take ownership of their performance and success**
- **Promotes broader skill development and advancement opportunities in pay band**



What's In It For Supervisors?



- **Compensate and reward workforce based on performance and mission contribution.**
 - Link individual performance to strategic goals and objectives.
- **Recruit/retain high quality talent more effectively.**
 - Ability to offer more competitive, market-sensitive compensation.
 - Ability to fill jobs faster with streamlined hiring processes.



Major Design Elements

- **Classification**
 - **Simplified Classification Guidance**
 - **Jobs in broad career groups and pay bands based on nature of work and competencies**
- **Staffing**
 - **Flexibility to respond to mission changes**
 - **The right person in the right place at the right time with the right pay.**
- **Compensation**
 - **Rate range adjustments**
 - **Local market supplements**
 - **No change to incentive awards**



Major Design Elements

- **Performance Management**
 - Pay directly linked to performance and mission accomplishment
 - Job objectives and contributing factors influence rating
 - Meaningful distinctions in employee performance
 - Employee development with ongoing feedback and dialogue
 - Includes conduct and professional demeanor
 - Standard performance factors
- **Adverse Actions and Appeals / Labor Relations**
 - Enjoined



What Does Not Change?

- **Merit System Principles**
- **Whistleblower Protections**
- **Rules Against Prohibited Personnel Practices**
- **Anti-Discrimination Laws**
- **Fundamental Due-Process**
- **Benefit Laws -- on retirement, health or life insurance, etc.**
- **Allowances and travel and subsistence expenses**
- **Training**
- **Veteran's Preference**



Conversion to NSPS

- **Technicians will not lose pay upon conversion**
- **Conversion is based on current 'position of record'**
- **Technicians eligible for a within-grade increase (WGI) will receive a pro-rated increase in salary**



Conversion

- **Implementation**
 - **Technicians move to new performance system**
 - Objectives linked to mission
 - Pay for performance
 - **Technicians move to pay band**
 - No loss of pay
 - Credit for within grade time - “WGI Buy in”
 - **Pay Pool Management process**
 - Bonuses
 - Pay adjustments



Staffing and Employment

- **NSPS provides flexibilities to improve hiring processes, attract high-quality applicants, and enable DoD to meet critical mission requirements, while respecting principles of merit and fitness.**
- **Government-wide hiring authorities and tools retained.**
- **Direct-hire authority for severe shortage or critical needs vested in Secretary.**
- **Opportunity to improve, streamline examining procedures to speed up the hiring process.**



Classification

- **Four NSPS Career Groups**

- **Nine possible pay schedules within those groups**

- **One to four pay bands under each pay schedule**

Career Group

Pay Schedule

Pay Band

- Establish new groups as needed
- Add, combine, eliminate, and/or move occupations
- Stratify occupations within career groups
- Sunset special salary rates
- Reflect distinctions in occupations
 - Types of work
 - Education requirements
 - Career progression
 - Pay practices



Classification

- **Position descriptions are less detailed.**
- **Jobs in broad career groups and pay bands based on nature of work and competencies**
- **Progress in bands dependent on performance, complexity, contribution, and/or market conditions**
- **Classification appeal rights protected**
- **Allows flexibility to assign new or different work**
- **Promotes broader skill development and advancement opportunities within and across pay bands**



NSPS Classification Architecture for General Schedule Employees

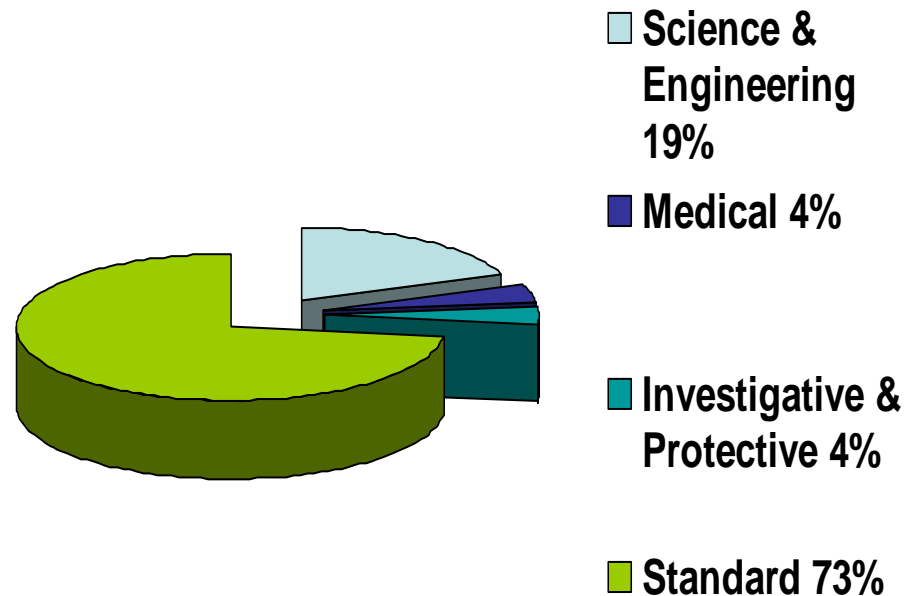


STANDARD CAREER GROUP –Pay Schedules <ul style="list-style-type: none">• Professional/Analytical• Tech/Support• Student Employment• Supervisor/Manager	INVESTIGATIVE & PROTECTIVE SERVICES CAREER GROUP –Pay Schedules <ul style="list-style-type: none">• Investigative• Fire Protection• Police/Guard• Supervisor/Manager
SCIENTIFIC & ENGINEERING CAREER GROUP –Pay Schedules <ul style="list-style-type: none">• Professional• Tech/Support• Supervisor/Manager	MEDICAL CAREER GROUP –Pay Schedules <ul style="list-style-type: none">• Physician/Dentist• Professional• Tech/Support• Supervisor/Manager



Classification

- **Career groups**
 - DoD can establish new groups as needed; combine current groups if differences become unimportant
 - Add, combine, eliminate or move occupations
- **Pay Schedules and Bands**
 - Stratify occupations within career groups
 - Reflect distinctions in occupations
- **Simple and Flexible**
 - Based on natural career groups, typical career progression and compensation
 - Sunset special salary rates





Compensation

- The NSPS pay band system is intended to attract, develop, retain, and reward high-performing employees through appropriate compensation
- Regulations provide framework for DoD to move toward market sensitive pay
 - Consideration of local market conditions to set pay band rates
 - Market factors taken into account on setting pay for new hires
 - Greater flexibility in pay setting upon promotion and reassignment, NSPS positions eligible for increase in base salary



What Constitutes Pay?

NSPS



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**Performance
Based
Bonus**

Cash Awards

**Worldwide
Base Rate**

**Local Market
Supplement**

Variable by career
group, pay schedule,
occupation, and/or pay
band

**Performance
Based Pay
Adjustment**

Adjusted Salary



Components of Pay



Performance-Based Pay

- Annual pay raises or bonuses based on performance
- High-performing employees can get higher pay raises
- Employees must perform acceptably to get any increase
- A 6% minimum salary increase for promotions

Rate Range Increases

- Nation-wide salary adjustments, may vary by pay band
- Employees must perform acceptably to get any increase

Local Market Supplement Increases

- Similar but not identical to locality pay - addition to base pay
- Based on geographic or occupation market conditions
- In given area, can differ from one occupation to another
- Employees must perform acceptably to get any increase

Other Features

- Rate ranges and local market supplements are reviewed annually
- 6% minimum salary increase for promotions
- Eligibility for salary increase for reassignment/reduction in band



Compensation

- **Local Market Supplements (LMS)**
 - are additional payments to employees in specified local market areas, occupations, specializations or pay bands that are not adequate by world-wide pay band rate ranges.
 - replace locality pay and special salary rates in NSPS. LMS are added to base salary.
 - Employees are eligible to receive LMS adjustments if they have a rating record of Level 2 or higher



Compensation

- **Rate Range Increases**

(changes to the pay bands nationwide)

- Adjustments to rate ranges are determined by Secretary; increases associated with rate range adjustments are not given to unacceptable performers
- If the minimum of the pay band is increased, employees in the pay band will get the corresponding percentage increase.
- To receive an increase, you must not be at the maximum of the pay band.
- Employees must perform at a rating record of “Level 2” or higher to be eligible.

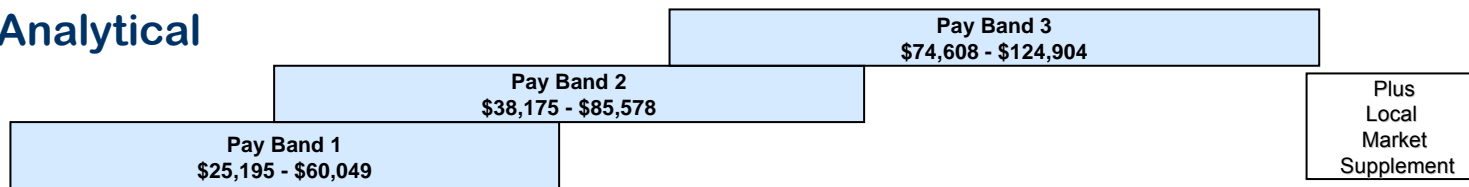


Standard Career Group



Professional/Analytical

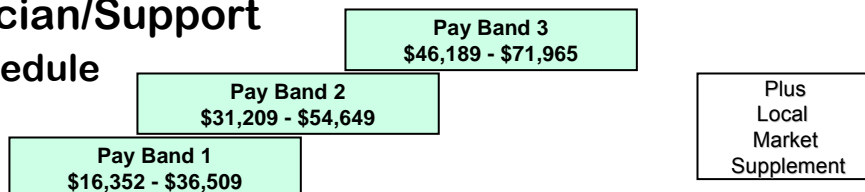
Pay Schedule



\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
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Technician/Support

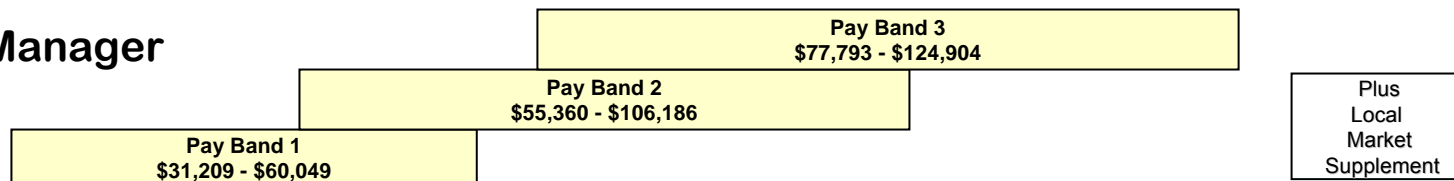
Pay Schedule



\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
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Supervisor/Manager

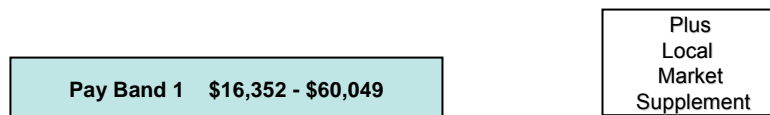
Pay Schedule



\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
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Student

Pay Schedule



15,000	35,000	55,000	75,000	95,000	115,000	135,000
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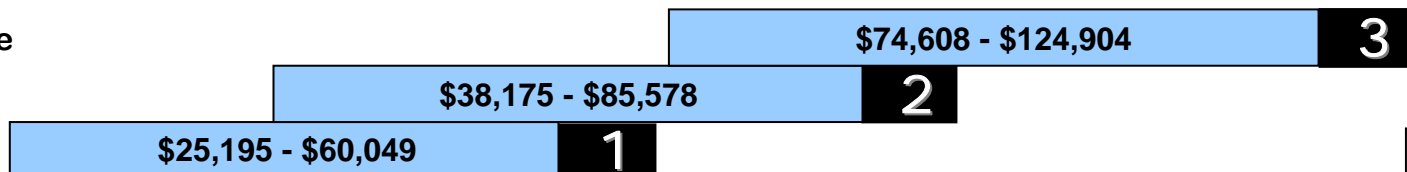


Scientific & Engineering Career Group



Professional

Pay Schedule

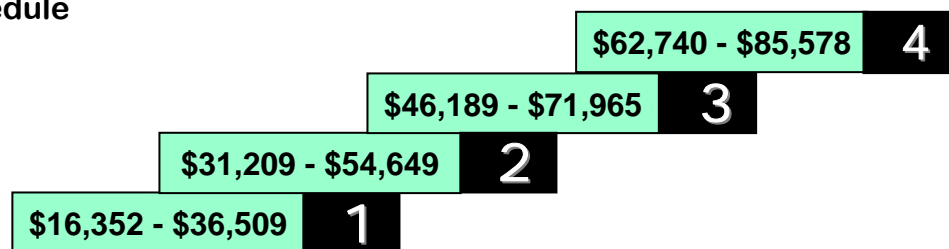


Plus
Local
Market
Supplement

\$15,000 35,000 55,000 75,000 95,000 115,000 135,000

Technician/Support

Pay Schedule

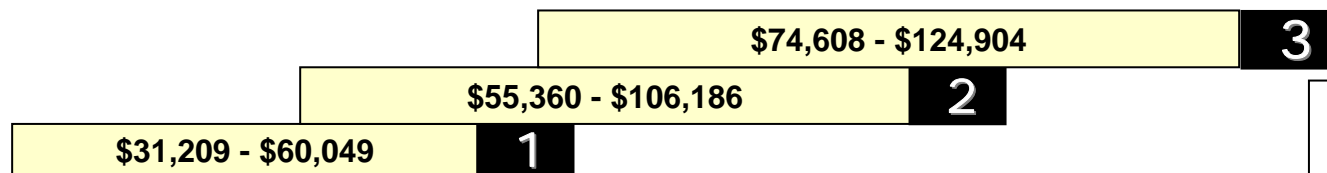


Plus
Local
Market
Supplement

\$15,000 35,000 55,000 75,000 95,000 115,000 135,000

Supervisor/Manager

Pay Schedule



Plus
Local
Market
Supplement

\$15,000 35,000 55,000 75,000 95,000 115,000 135,000



Medical Career Group

Physician/Dentist

Pay Schedule

\$110,000 - \$225,000

3

\$85,000 - \$175,000

2

Plus
Local
Market
Supplement

\$25,000

60,000

95,000

130,000

165,000

200,000

225,000

Professional

Pay Schedule

\$74,608 - \$124,904

3

\$38,175 - \$101,130

2

\$25,195 - \$60,049

1

Plus
Local
Market
Supplement

\$15,000

35,000

55,000

75,000

95,000

115,000

135,000

Technician/Support

Pay Schedule

\$46,189 - \$71,965

3

\$31,209 - \$54,649

2

\$16,352 - \$36,509

1

Plus
Local
Market
Supplement

\$15,000

35,000

55,000

75,000

95,000

115,000

135,000

Supervisor/Manager

Pay Schedule

\$100,000 - \$200,000

4

\$77,793 - \$124,904

3

\$55,360 - \$106,186

2

\$31,209 - \$60,049

1

Plus
Local
Market
Supplement

\$25,000

60,000

95,000

130,000

165,000

200,000

225,000

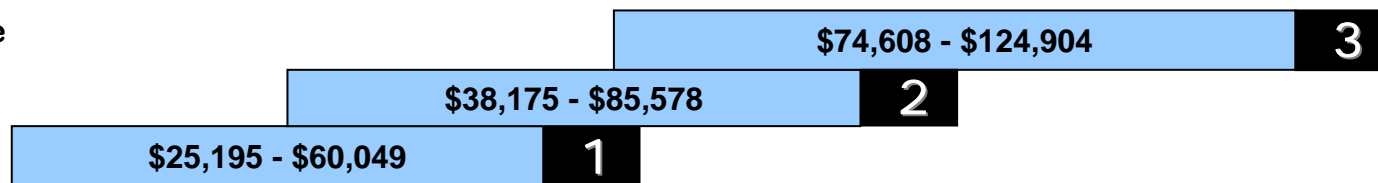


Investigative and Protective Services Career Group



Investigative

Pay Schedule

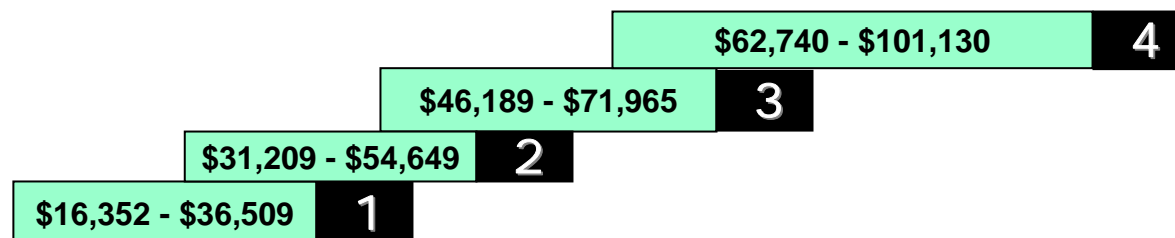


Plus
Local
Market
Supplement

\$15,000 35,000 55,000 75,000 95,000 115,000 135,000

Fire Protection

Pay Schedule



Plus
Local
Market
Supplement

\$15,000 35,000 55,000 75,000 95,000 115,000 135,000



Investigative and Protective Services Career Group (cont.)

Police/Security Guard

Pay Schedule

\$31,209 - \$54,649

2

\$16,352 - \$36,509

1

Plus
Local
Market
Supplement

\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
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Supervisor/Manager

Pay Schedule

\$77,793 - \$124,904

3

\$55,360 - \$106,186

2

\$31,209 - \$60,049

1

Plus
Local
Market
Supplement

\$15,000	35,000	55,000	75,000	95,000	115,000	135,000
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Pay Administration

- **Performance-based pay increases**

- can either be increases to salary or bonuses and are based on the employee's annual performance rating.
- are based on performance where high-performing employees can get higher pay raises
- employees must perform at “Valued Performance” (Level 3) or higher to get any increase based on performance/contribution, rather than longevity
- increases not given to unacceptable performers



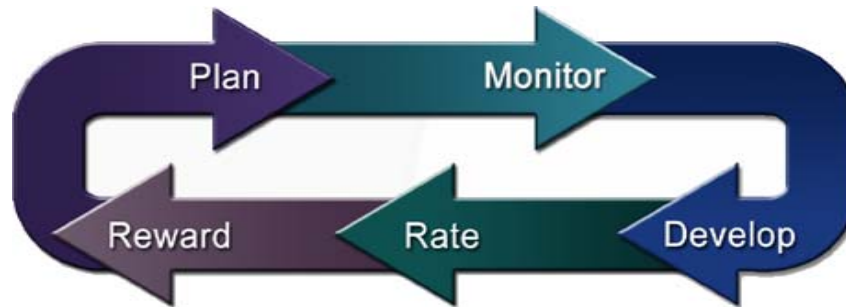
Performance Management



Performance management system is designed to:

- **Foster high-performing culture;**
 - **Encourage employee engagement and robust communication, and**
 - **Enhance overall effectiveness of DoD**
-
- **Supervisors work with employees to establish performance goals and expectations, aligned with mission-related goals**
 - **Performance objectives need to be specific, measurable, acceptable, realistic and timely.**
 - **Ratings reflect meaningful distinctions in employee performance (no forced distribution or quotas)**

Performance Management



- Results-oriented, mission-focused
- Clear and understandable (fair, credible, transparent)
- Direct link between pay, performance, and mission accomplishment
- Reflect meaningful distinctions in employee performance
- Robust (capable of supporting pay decisions)
- Job objectives – the “What” – primary focus
- Manner of performance – the “How” – contributing factors that influence the objective rating
- Supervisors are rated on at least one supervisory objective
- Monitor and develop employees
- Rate and reward performance



The Evaluation Process



Pay Pool Panel

- Equity of Supervisor Assessments
- Evaluation Validation
- Approval of Ratings
- Approval of Shares/Payout Mix



Employee Input



Performance Review Board

- Corporate Alignment of Performance with Strategic Goals
- Performance Trend Analysis
- Personnel Policy Adjustment
- Assessment of Pay Pool Funding



Supervisor Assessment

- Recommended Rating
- Recommended Shares
- Recommended Payout Mix



Performance Management



- **Performance is linked to Mission and Compensation**
- **Rated on:**
 - * **Responsibilities**
 - * **Behaviors**
 - * **Skills**
 - * **Tasks**

Performance Rating	Share Range	Employees are eligible to receive....
5 - Role Model	5 - 6	<ul style="list-style-type: none">• Performance Based Pay Increase• Rate Range Adjustments• Local Market Supplement Increases
4 - Exceeds Expectations	3 - 4	
3 - Valued Performance	1 - 2	
2 - Fair	0	<ul style="list-style-type: none">• Rate Range Adjustments• Local Market Supplement Increases
1 - Unsuccessful	0	<ul style="list-style-type: none">• No Increases



Why Pay Pools are Important



- Provides mechanism for ensuring multi-level accountability and responsibility
- Ensures decisions regarding compensation and rewards receive higher level review
- Provides transparency
- Validates decisions made at the individual level within the context of organization and mission
- Preserves the integrity of the performance management system



NSPS Training



- Target audiences
 - ➔ – Senior leaders, Managers, Supervisors
 - Technicians
 - ☑ – HR Practitioners

- Dual focus
 - Functional training on NSPS system
 - Soft Skills

- Learning objectives
 - ➔ – Teach technicians about NSPS
 - Teach skills and behaviors necessary to implement and sustain NSPS



Learning Products Available Now



- **Web-based NSPS fundamentals**
 - NSPS 101: online course explains NSPS elements
- **Handouts (Available Soon)**
 - 7 Ways for Supervisors to Get Ready for NSPS
 - 6 Ways for Employees to Get Ready for NSPS
- **Brochures (Available Soon)**
 - Communicating with Your Staff
 - Helping Organizations Thrive Under NSPS
 - Communicating with Your Supervisor



Lessons Learned

- **First year is the hardest, steep learning curve**
 - Involving and empowering supervisors is critical—they set the tone
 - Training and communication are key
 - Transition planning reduces risk
- **Results take time**
 - Good performers will perform better
 - Overall workforce satisfaction will improve
 - Organization performance will improve



Lessons Learned

- **This is not so easy**
 - Technicians may resist being a pay-for-performance system – acceptance must be earned
 - Managers will have to shift focus and behaviors
 - Some poor performers will leave – when that doesn't happen, must figure out how to drive performance improvement and use new tools to mitigate
 - Performance ratings for most staff will go down – you will have to justify and explain why



When Will NSPS Happen?

- **National Guard Technicians are expected to convert in**
 - **Fall 07**
 - Performance management system
 - Movement to pay bands
 - **Fall 08**
 - Performance Cycle ends
 - **Early 09**
 - Performance based pay out



Questions ?

- ▶ <https://gkoportal.ngb.army.mil/sites/NSPS/default.aspx>
- ▶ <http://www.gko.ngb.army.mil>
- ▶ <http://www.cpms.osd.mil/nsps/>
- ▶ <https://www.my.af.mil/faf/FAF/fafHome.jsp>
- ▶ <http://www.cpms.osd.mil/nsps/nsps101/nsps/index.htm>
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